



TREASURY DEPARTMENT
BUREAU OF CUSTOMS
INVESTIGATIVE UNIT
TREASURY ATTACHÉ
CARE OF AMERICAN CONSUL

DEPARTMENT
COPY

SHANGHAI, CHINA

Ex # 392
9512
PI

June 8th, 1936.

Commissioner of Customs,
Division of Customs Agents,
Washington, D. C.

Sir:

There are enclosed herewith for the information of the
Bureau and other interested Departments copies of a report, entitled,
"The Drug Menace in the Six Heien of North Chahar since their Fall."

Respectfully,

G. M. Jacobson

For the Treasury Attaché

12

June 6, 1936.

9512
12

THE DRUG MESSAGE IN THE SIX PROVINCES OF NORTH
CHAHAR SINCE THEIR FALL.

Since the six haien of Tolun (多倫), Fuchang (寶昌),
Kuyuan (沽源), Kongpao (康保), Shangtu (商都) and Changhai (化北)
in North Chahar were taken by Li Shou-hsin's (李守信) troops through
the scheming of Japanese, drug traffic has been extensively carried
out by the Japanese and Korean ronins in this region.

Of these six haien, Tolun is the richest. It became a
commercial port in 1914 and has seen prosperous trade since. In the
city are two large Lama temples, Laitsung (察素渾) and Shanyin (善因),
in each of which are several thousand lamas. Except for the Potala
Temple (布達拉) of Thibet, no other temple can surpass them in gran-
deur and magnificence. During the fixed period for worship, many
thousands of Mongolians come from far and near to offer their prayers.
In respects both economic and religious, Tolun must be regarded as
the center of North Chahar. Li Shou-hsin's troops occupied the six
haien at a time when poppy seeds were being sowed. An opium monop-
oly system was established and regulations governing the monopoly of
opium were issued.

The puppet troops under the command of Li Shou-hsin not
only encouraged the peasants to increase their poppy sow, but also
started to carry out the "narcotization policy" in compliance with
the will of the Japanese. Heroin shops were opened in each of the
six haien of North Chahar and manufactories for making morphine and
heroin were set up in Tolun.

0512
P3

Recently a drug store under the name of Yitchere Kusial (张永(15)) was established at Kalgan for the purpose of selling drugs to the ten hsien of South Chahar. Mr. Chang Yuan-yung (张元), Garrison Commander at Kalgan, could in no way prevent it.

The transportation of drugs from North Chahar to Kalgan and West Chahar is done on the Kalgan-Tolun and Kalgan-Kulun Highways, with puppet troops escorting the cars. The sales agents in these districts are mostly local rascals.

Statistical data concerning drug traffic in North Chahar are shown in the tables below:

Table I. Drug stores in the six hsien of North Chahar.

<u>Name of hsien</u>	<u>Number of stores</u>	<u>Operator's nationality</u>
Tolun	15	Japanese
Fuechang	9	"
Kayuan	12	"
Changgeh	9	"
Kangpoo	8	"
Shangtu	5	"

Table II. Price of heroin in Kalgan and the six hsien of North Chahar.

<u>Name of place</u>	<u>Price of heroin per taol</u>
Tolun	\$27.00
Fuechang, Kayuan, Changgeh, Kangpoo and Shangtu.	\$27.00 to \$28.00
Kalgan	\$25.00

9512
P4

- 2 -

Table III. Drug companies in Kelgan.

<u>Name of company</u>	<u>Location</u>
1. Yitahara Kumiiai (板原組合)	The new market.
2. Koto Yoko (卓東洋行)	
3. Toko Yoko (東興洋行)	
4. Yawato Yoko (太知洋行)	